

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE **X** WATER SANDS LOCATION INSPECTED SUB. REPORT/abd**OFF Confidential**DATE FILED **10-13-87**  
LAND: FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-7088** INDIANDRILLING APPROVED: **12-23-87**

SPUDDED IN:

COMPLETED: **2-12-92 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY API:

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **LA'D PER BLM EFF 2-12-92**FIELD: **WILDCAT**UNIT: **HAMMERHEAD**COUNTY: **SAN JUAN**WELL NO: **HAMMERHEAD UNIT #2**API #**43-037-31377**LOCATION **1485' FSL** FT. FROM (N) (S) LINE, **920' FWL**FT. FROM (E) (W) LINE. **NW SW**1/4 -- 1/4 SEC. **7**

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

**38S****26E****7****YATES PETROLEUM**



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

September 30, 1987

TO: Cy Cowan  
  
FROM: Steve Speer  
  
RE: Hammerhead Unit #2-1

The Hammerhead Unit #2-1 wildcat location was picked at 1485' FSL and 920' FWL of Section 7-T38S-R26E due to the necessity of testing the Upper Ismay geologic anomaly at what I feel is the optimum stratigraphic and structural location. Because Upper Ismay mounds are extremely linear, narrow and sharp-sided, it is very easy to nick or miss them entirely due to compromising the surface location (even by hundreds of feet) due to non-geologic reasons. Since wildcat locations are meant to either prove or disprove a geologic theory, it is imperative that the theory is tested where it best stands the chance of success.

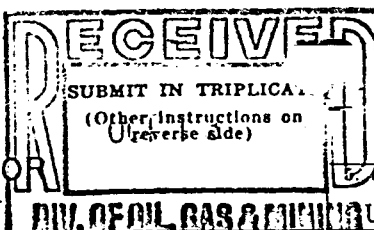
Sincerely,



Steve Speer  
Geologist

460-3  
ber 1983)  
merly 9-331C)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. UNIT AGREEMENT NAME Hammerhead Unit		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER TITE HOLE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. FARM OR LEASE NAME		
2. NAME OF OPERATOR Yates Petroleum Corporation			9. WELL NO. 2-1		
3. ADDRESS OF OPERATOR 105 South Fourth Street - Artesia, NM 83210			10. FIELD AND POOL, OR WILDCAT Wildcat		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1485' FSL and 920' FWL At proposed prod. zone Same			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 7-T38S-R26E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 15 miles northeast of Hatch Trading Post			12. COUNTY OR PARISH San Juan		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 920'			13. STATE UT		
16. NO. OF ACRES IN LEASE 640			17. NO. OF ACRES ASSIGNED TO THIS WELL 80		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1-1/4 mile			20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.)			22. APPROX. DATE WORK WILL START* ASAP		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 85'	50 sacks
12-1/4"	8-5/8"	24# J-55	" 1975'*	950 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	310 sacks

\*Approximately 100-150' into Chinle formation

Yates Petroleum Corporation proposes to drill and test the Akah and intermediate formations. Approximately 1975' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW to 5600', fresh water gel to TD. MW 9.0-10.4, Vis 35-45, WL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

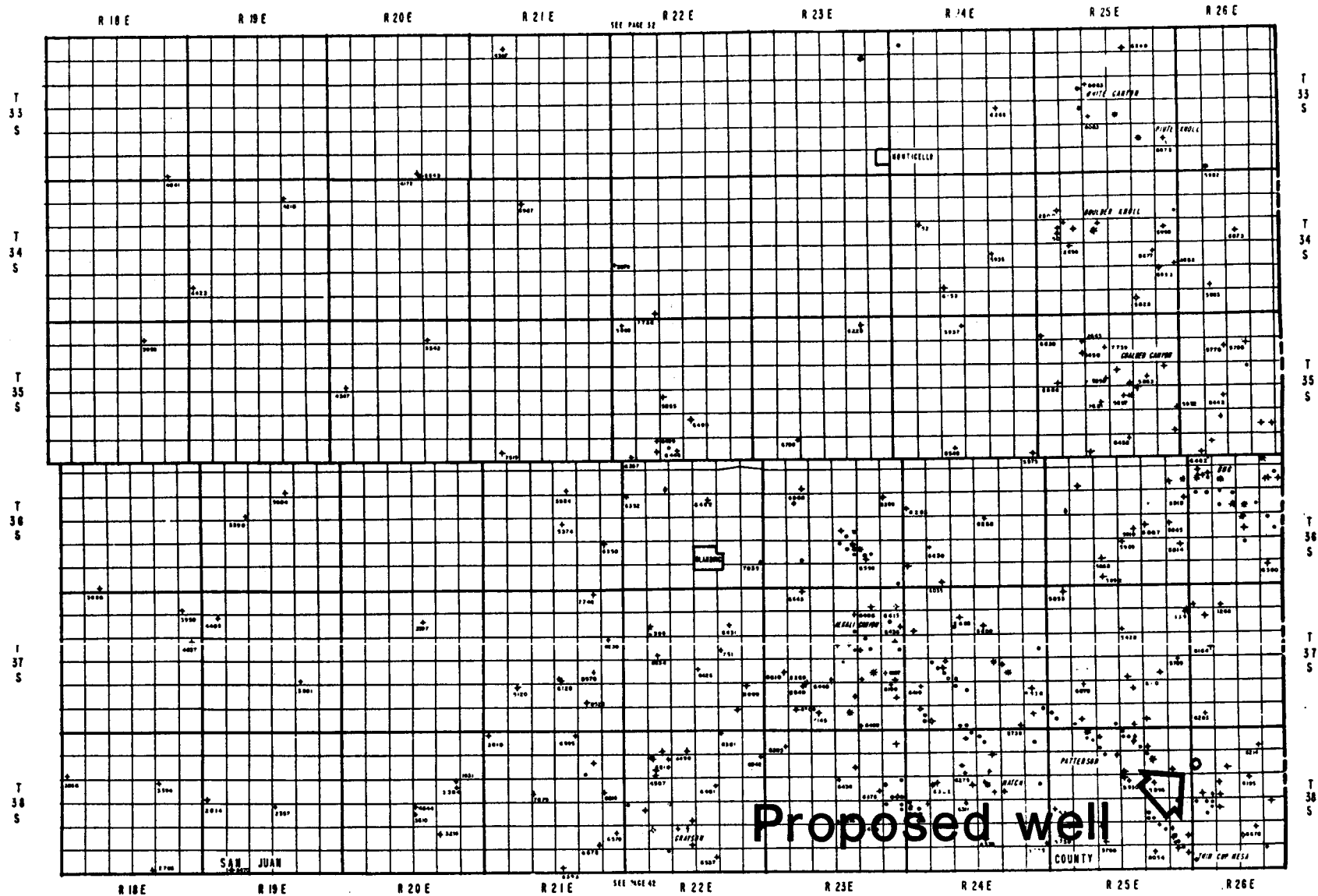
24. SIGNER A. J. Cowan TITLE Regulatory Agent DATE Oct. 1, 1987  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the





105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

September 30, 1987



State of Utah  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

ATTENTION: Ms. Arlene Sollis

RE: Exception to the location for the  
proposed Yates Petroleum  
Corporation's:  
Hammerhead Unit #2-1  
1485' FSL and 920' FWL of  
Section 7-T38S-R26E  
San Juan County, Utah

Dear Ms. Sollis:

Yates Petroleum Corporation hereby requests an exception to Rule 302 of the Oil and Gas Conservation's general rules and regulations orders. Yates Petroleum Corporation hereby is requesting that the unorthodox location for the Hammerhead Unit #2-1 be favorably approved by the State of Utah, Division of Oil, Gas and Mining.

The reason for moving this location unorthodox was due to geological and topographical reasons. With our interpretation of all materials and information it was determined that this location was best for wildcat drilling activities.

We control the surrounding acreage within a 460 foot radius. A copy of a topographical map is enclosed showing the outline of the lease.

If you have any questions regarding this matter, please contact Yates' geologist, Mr. Steve Speer at 505-748-1471.

Thank you for your cooperation in this matter.

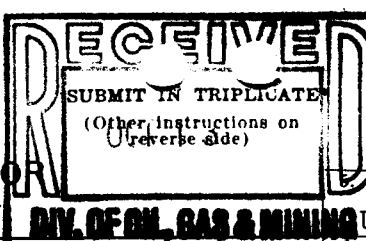
Sincerely yours,

Cy Cowan  
Regulatory Agent

CC:rj

Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL  
OIL WELL ☒ GAS WELL ☐ OTHER TITE HOLE SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface  
1485' FSL and 920' FWL

At proposed prod. zone  
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 15 miles northeast of Hatch Trading Post

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
920'

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
1-1/4 mile

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5642'

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 85'	50 sacks
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24. SIGNER Cy Cowan TITLE Regulatory Agent DATE Oct. 1, 1987

(This space for Federal or State office use)

PERMIT NO. 43-037-31377 APPROVAL DATE

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

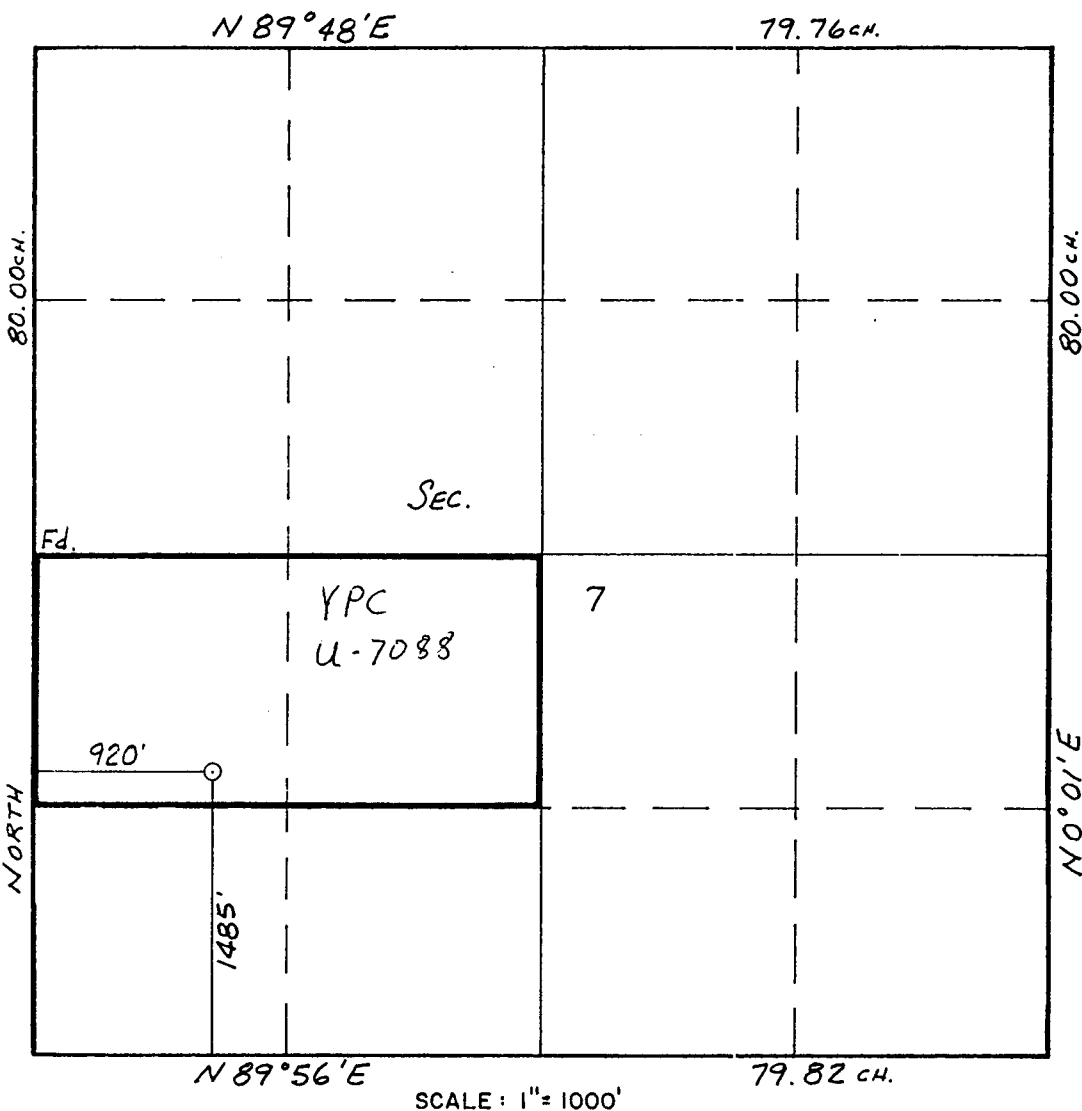
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

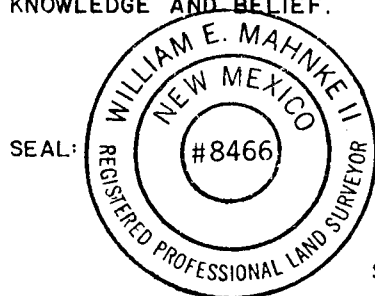
DATE 12-23-87  
BY: John R. Bay  
WELL SPACING: R&S-2-3

\*See Instructions On Reverse Side

COMPANY YATES PETROLEUM CORPORATION  
LEASE HAMMERHEAD UNIT WELL NO. 2-1  
SEC. 7, T. 38 S, R. 26 E  
COUNTY San Juan STATE Utah  
LOCATION 1485' FSL & 920' FWL  
ELEVATION 5642



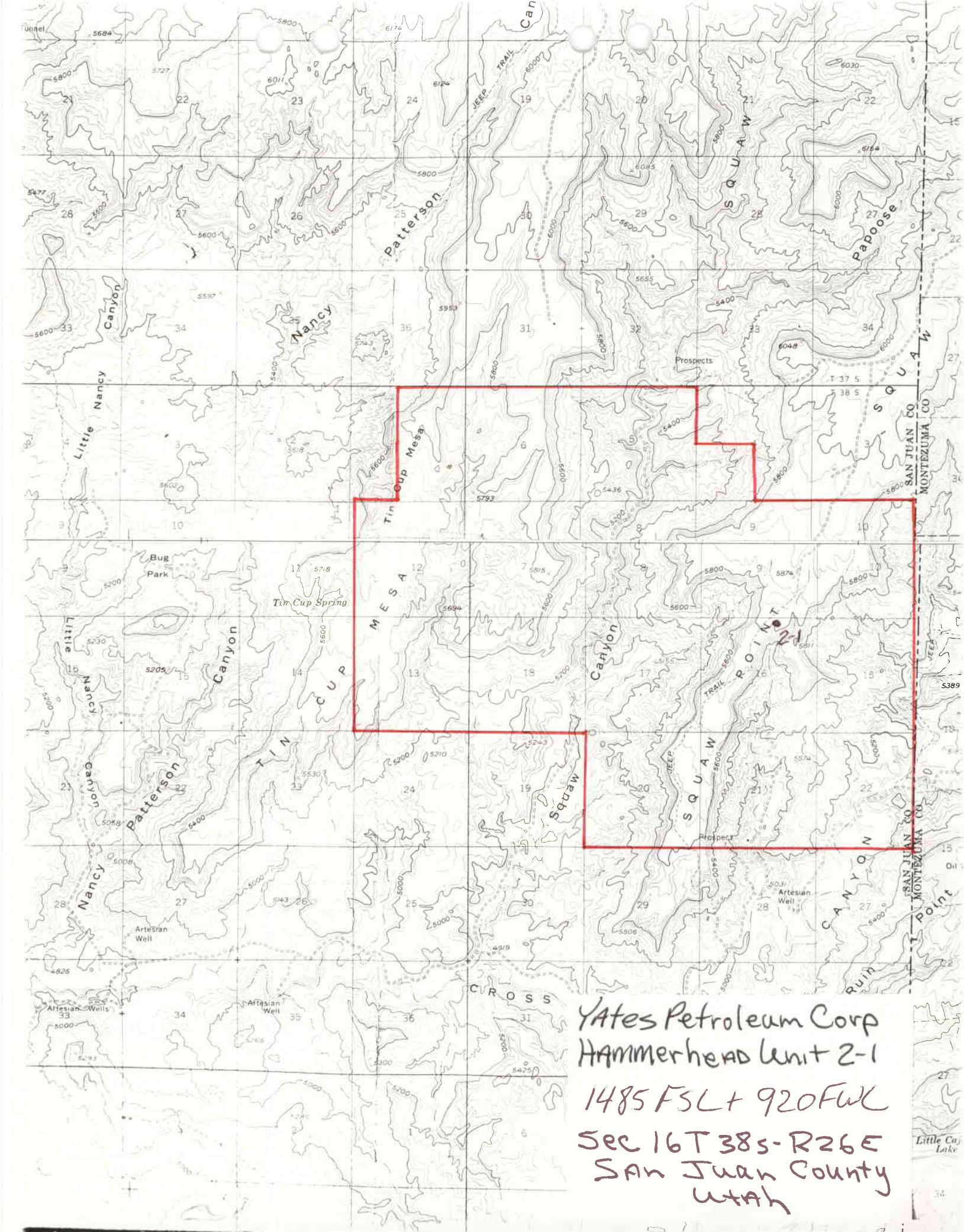
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*W. E. Mahnke II*  
WILLIAM E. MAHNKE II  
NEW MEXICO P.L.S. NO 8466

SURVEYED Oct. 5, 1987





Yates Petroleum Corp  
Hammerhead Unit 2-1  
1485 FSL + 920 FWL  
Sec 16 T38S-R26E  
San Juan County  
Utah



YATES PETROLEUM CORPORATION  
 Hammerhead Unit #2-1  
 1485' FSL and 920' FWL of  
 Section 7-T38S-R26E  
 San Juan County, Utah

In conjunction with Form 9331-C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information with Utah State Requirements.

1. The geologic surface formation is the Dakota formation.

2. The estimated tops of geologic markers are as follows:

Morrison	105'	Paradox	5595'
Entrada	905'	Upper Ismay	5750'
Navajo	1170'	Lower Ismay	5925'
Chinle	1870'	Upper Desert Creek	5990'
Shinarump	2650'	Lower Desert Creek	6060'
Cutler	2845'	Akah	6105'
Honaker Trail	4880'	TD	6130'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Entrada 905'; Navajo 1170'

Oil or Gas: Honaker Trail 4380'; Upper Ismay 5750'; Lower Desert Creek 6060'

4. Proposed Cementing Program:

Surface Casing: There will be one stage of cement. Cemented with 300 sacks of Class "C" 2% CaCl<sub>2</sub> (600 cubic feet of cement) circulated. Casing shoe will be set at 1975' with float equipment set at approximately 1935'.

Production Casing: There will be one stage or as warranted of cement. Cemented with enough Class "C" to equal 235 cubic feet or approximately 300 sacks to reach estimated top at 5000'. Float collar will be set at approximately 40' above TD with casing shoe set at TD.

5. Pressure Control Equipment: See Form DOGM-1.

6. Mud Program:

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/GAL.</u>	<u>VISC. sec.qt</u>	<u>FLUID LOSS</u>
0-5600'	FW	-----	-----	-----
5600-TD	FW Gel/Starch	9.0-10.4	35-45	10-15

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connectors.

8. Testing, Logging & Coring Program:

Samples: 10' samples out from under surface casing to TD

DST's: Three potential producing zones

Coring: None

Logging: CNL/LDT, DLL, BHC Sonic from TD to casing; possible dipmeter  
TD to casing; Gamma Ray to surface

9. Expect high pressures in Lower Desert Creek formation. Will increase mud weight to control.
10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company YATES PETROLEUM CORPORATION Well Name HAMMERHEAD UNIT #2-1  
Location: Section 7 Township 38S Range 26E  
County San Juan State Utah Lease No. U-7088  
1485' F S L, 920' F W L

lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Estimated Depth at Which Oil, Gas, Water or Other Minerals Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Zone</u>
Expected Oil Zones:	_____	_____
Expected Gas Zones:	_____	_____
Expected Water Zones:	_____	_____
Expected Minerals Zones:	_____	_____

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. CONTINUED:

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure tested before drilling casing cement plugs. ~~The San Juan Resource Area~~ ~~(will) will not be notified~~ \_\_\_\_\_ days before pressure testing.

4. Casing Program and Auxiliary Equipment: \_\_\_\_\_

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area ~~(will) will not~~ be notified \_\_\_\_\_ days before running casing strings and cement.

5. Mud Program and Circulating Medium: \_\_\_\_\_

6. Coring, Logging and Testing Program: \_\_\_\_\_

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids and/or gases) will be submitted to the District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: \_\_\_\_\_

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: The following may be inspected and/or witnessed:

1. ~~The cementing and testing of surface casing and testing BOP's.~~
2. ~~(Dry Hole) Setting and testing of surface casing shoe plug.~~
3. ~~(Depleted Producer) The setting and testing of plugs across the producing horizon and if applicable the surface casing shoe plug and/or annulus (Casing to formation) squeeze jobs.~~

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at 801-587-2201 (Home 801-587-2026 or if unable to reach Mike, call Moab District Office Greg Noble at 801-259-6111 (Home) 801-259-8811.

#### THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads:

A. Location of proposed well in relation to town or other reference point:

Note Exhibit A enclosed

B. Proposed route to location: Refer to Exhibit A

C. Plans for improvement and/or maintenance of existing roads: \_\_\_\_\_

COUNTY

The maximum total disturbed width will be N/A feet.

D. An encroachment permit will be obtained from the San Juan County Road Department, 801-587-2231, ext. 43.

E. Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## PLANNED ACCESS ROADS

- A. The maximum total disturbed width will be 30 feet. For 2 1/4 miles
- B. Maximum grade: + or - 4%
- C. Turnouts: AS NEEDED
- D. Location (centerline): Flagged
- E. Drainage: NONE
- F. Surface Materials: Native
- G. Other: If needed during wet weather, road may be upgraded.

ACCESS THRU SEC. 30 & 31 ARE FEE LAND

~~Each fence which is crossed by the road will be braced as shown in Enclosure No. 1, and tied off before cutting to prevent slackening of the wire. A gate or cattleguard which must be approved by BLM, will be installed.~~

~~If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure 1.~~

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

Location of Existing Wells: Note Exhibit E -- one mile radius map

Location of Tank Batteries and Production Facilities: Note Exhibit F (Tank Battery Layout)

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Inter-agency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be NEUTRAL.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery. largest tank on the battery.



All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

#### LOCATION AND TYPE OF WATER SUPPLY

All water needed for drilling purposes will be obtained from: A private source

PERKIN'S RANCH

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface management agency to use the land containing the water source.

#### SOURCE OF CONSTRUCTION MATERIALS

Pad construction material will be obtained from: Native materials will be used.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (~~will~~/will not) be located on lease.

#### METHODS OF HANDLING WASTE DISPOSAL

The reserve pit (~~will/will not~~) be lined with <sup>COMMERCIAL BENTONITE</sup> ~~commercial bentonite~~ sufficient to prevent seepage. At least half of the capacity will be in cut.  
<sup>UNLESS NATIVE CLAY IS FOUND DURING CONSTRUCTION</sup>

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

CONTINUED:

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contact the San Juan County Sheriff in Monticello, Utah.

Produced waste water will be confined to a (lined/~~unlined~~) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

ANCILLARY FACILITIES

Camp facilities (~~will~~/will not) be required. They will be located: \_\_\_\_\_

WELL SITE LAYOUT

The reserve pit will be located: WEST - NOTE EXHIBIT B

The top 3 inches of soil material will be removed from the location and stockpiled separate from the trees on the EAST OR LONG side. Topsoil along the access will be reserved in place.

Access to the well pad will be from: THE EAST

RECLAMATION

- A. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- B. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- C. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- D. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- E. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.
- F. Water bars will be built as follows to control erosion.

CONTINUED

GRADE

SPACING

2%

every 200 feet

2-4%

every 100 feet

4-5%

every 75 feet

5+%

every 50 feet

- G. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

2 lbs/acre Indian ricegrass (Oryzopsis hymenoides)

lbs/acre Galleta (Hilaria jamesii)

6 lbs/acre crested wheatgrass (Agropyron desertorum)

lbs/acre Western wheatgrass (Agropyron smithii)

lbs/acre Alkali sacaton (Sporobolus airoides)

lbs/acre Sand dropseed (Sporobolus cryptandrus)

3 lbs/acre Fourwing saltbush (Atriplex canescens)

lbs/acre Shadscale (Atriplex confertifolia)

lbs/acre Green ephedra (Ephedra viridis)

lbs/acre Cliffrose (Cowania mexicana)

lbs/acre Desert bitterbrush (Purshia glandulosa)

lbs/acre Winterfat (Eurotia lanata)

lbs/acre Globemallow (Sphaeralcea ambigua)

lbs/acre Wild sunflower (Helianthus annuus)

1/2 lbs/acre YELLOW SWIFT CLOVER

- H. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.
- I. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

Surface Ownership: Federal

Minerals Ownership: Federal

Other Information: THE ARCH SITE FLAGGED IN BLUE (IN FRONT OF PIT CORNER LEFT FRONT) WILL BE AVOIDED DURING CONSTRUCTION

12. CONTINUED:

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

Your contact with the District Office is: Steve Jones

Office Phone: 801-259-6111 Address: P. O. Box 970, Moab, UT 84532

Resource Area Manager's address and contacts:

Address: P. O. Box 7, Monticello, UT 84532

Your contact is: Rich McClure

Office Phone: 801-587-2141

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION  
Representative:

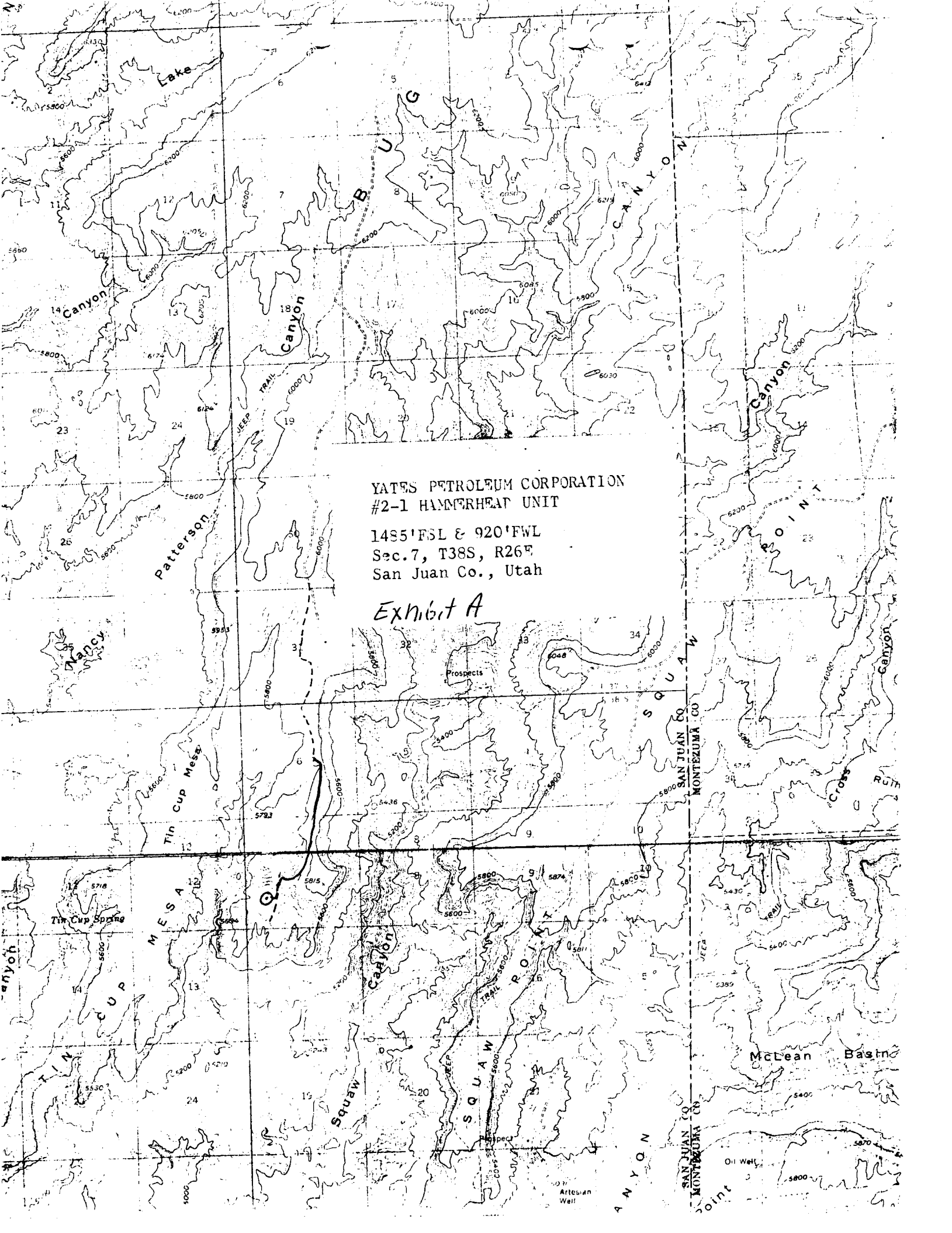
Name: Cy Cowan  
Address: 105 So. 4th St. - Artesia, NM 88210  
Phone No. 505-748-1471

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by YATES PETROLEUM CORPORATION and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

10/1/87  
Date

Cy Cowan  
Cy Cowan  
Regulatory Agent



YATES PETROLEUM CORPORATION  
#2-1 HAMMERHEAD UNIT

1485' FSL & 920' FWL  
Sec. 7, T38S, R26W  
San Juan Co., Utah

Exhibit A

Nancy

36

31

5743

5950

5400

5800

5618

Tin Cup Mesa

6

5600

11

12

5718

5815

Tin

YATES PETROLEUM CORPORATION  
HAMMERHEAD UNIT #2-1  
1485' FSL AND 920' FWL  
SEC. 7 - T38S - R26E  
SAN JUAN COUNTY, UTAH

EXHIBIT A'

14

43

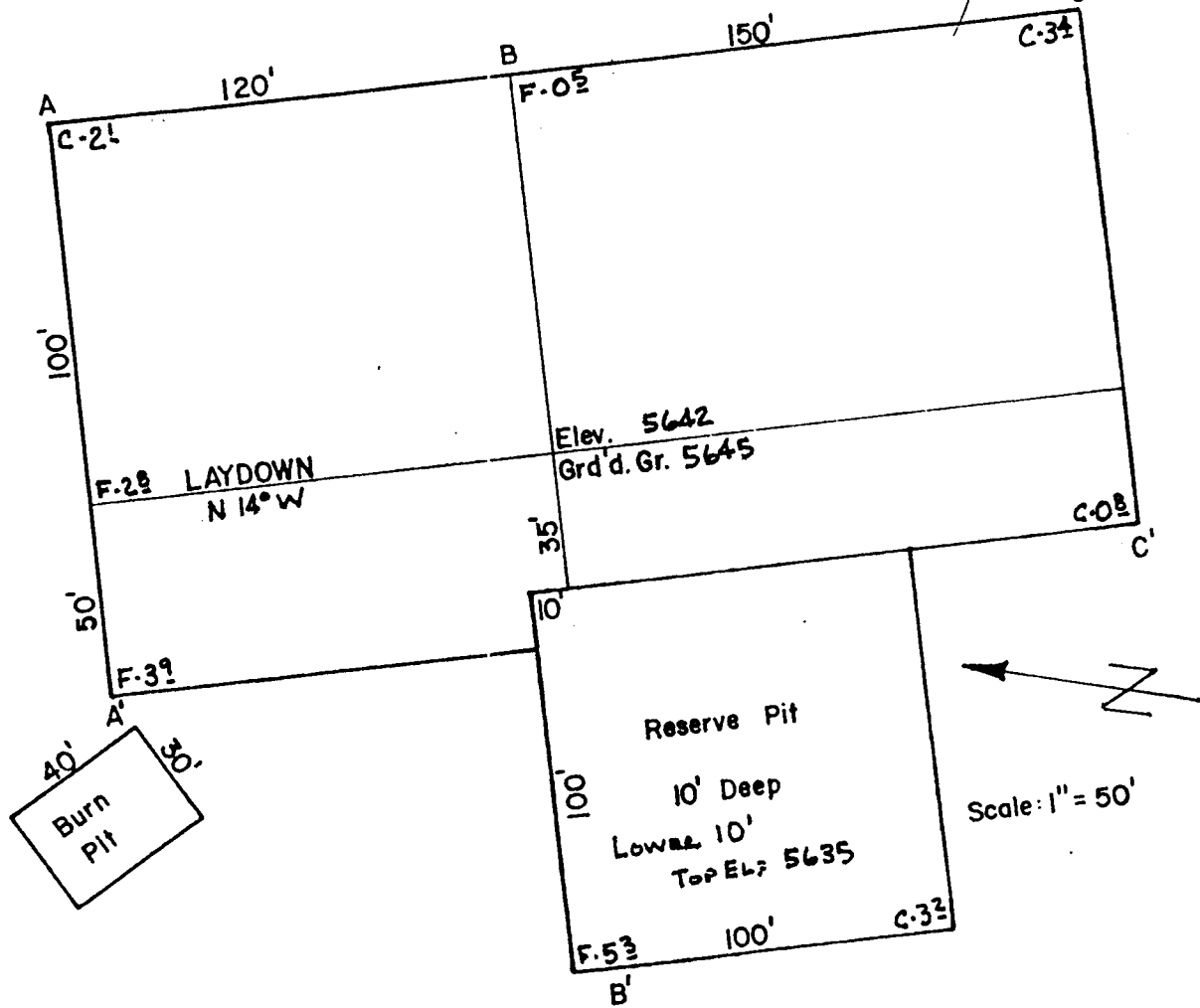
18

5200



YATES PETROLEUM CORPORATION  
#2 HAMMERHEAD UNIT

1485' FSL & 920' FWL  
Sec. 7, T3°S, R26°E  
San Juan Co., Utah  
Exhibit B



A-A'		Vert.: 1" = 30'		Horiz.: 1" = 100'		C/L	
5640							
5630							
B-B'							
5640							
5630							
C-C'							
5640							
5630							

- Exhibit C -

# COLEMAN DRILLING CO.

FRONT OF RIG NO. 3

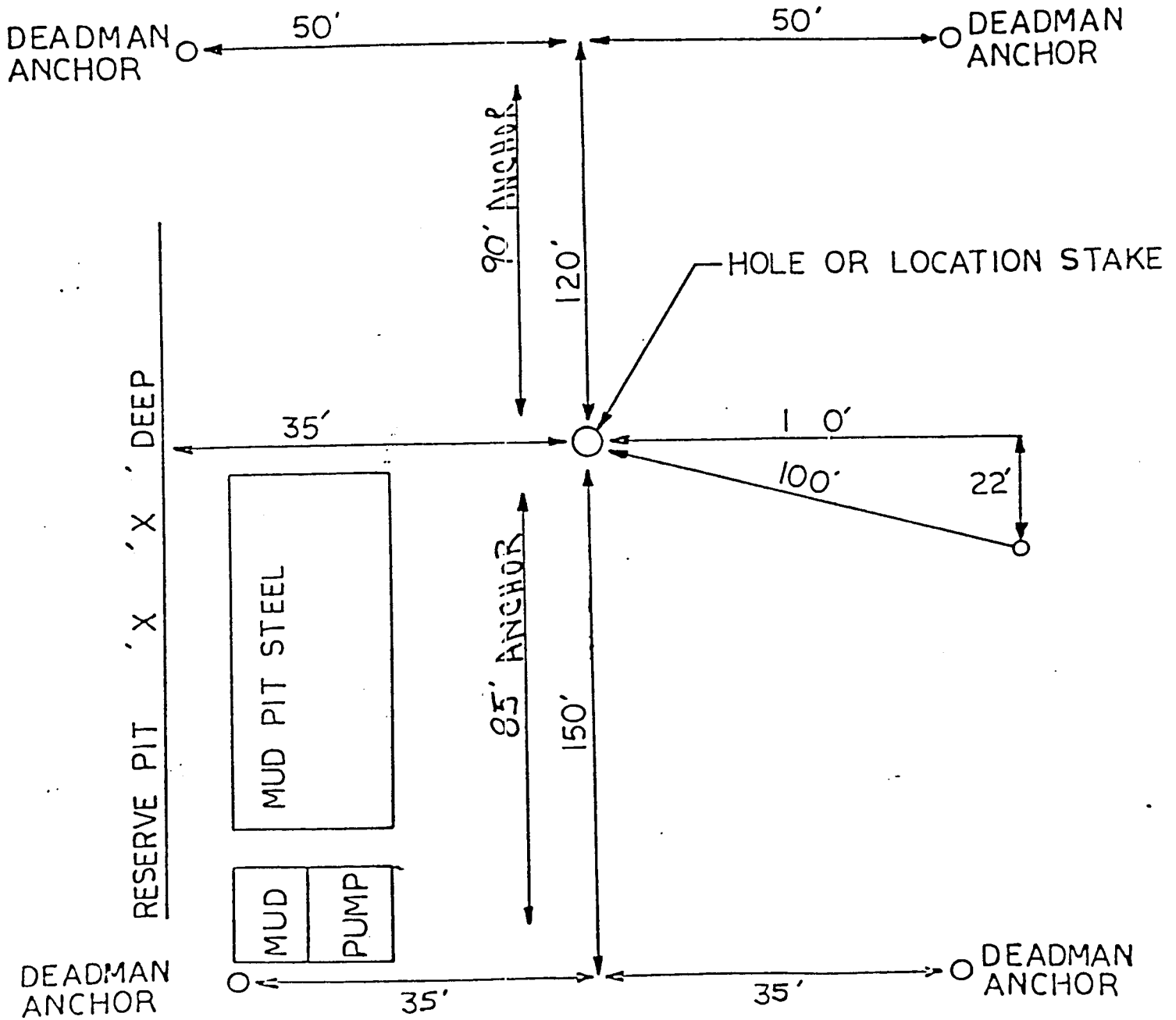
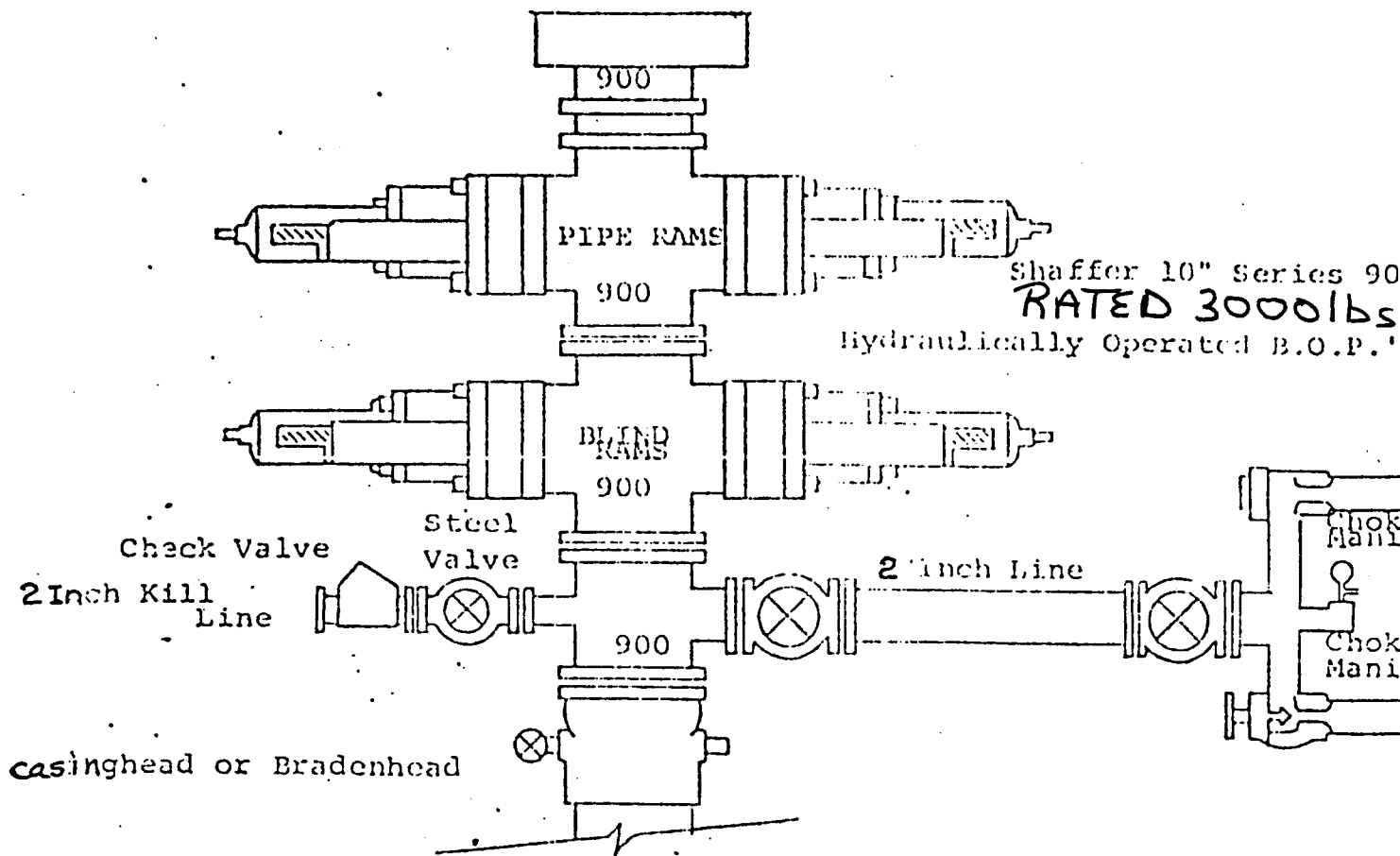


Exhibit D



FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 2" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- B. P. float must be installed and used below zone of first gas intrusion.

**ONE MILE RADIUS MAP**

Celsius 50%  
Forest Oil 25%  
MCOR 25%  
7496 4.19.84

Celsius 50%  
MCOR O&G 25%  
Forest Oil 25%  
7226 4.19.94

Celsius 50%  
MCOR O&G 25%  
Forest Oil 25%  
7088 4.19.94

Celsius 50%  
MCOR O&G 25%  
Forest Oil 25%  
15058 4.19.94

Celsius 50%  
MCOR O&G 25%  
Forest Oil 25%  
72840 4.19.94

Celsius 50%  
Mobil Oil 50%  
4.19.94 7088

McCutch  
MCOR et al  
ML 25375  
4.18.84

Wexpro  
Mobil Oil  
12425  
(9.1.80)

Antelope Prod.  
42067 2.1.99

SQUAW CANYON FIELD

Mobil Oil 50%  
Celsius En 50%  
40401  
(term of unit)

J. Chambers et al  
40406 HBP

Winterhall  
4.2.92

Enstar Petr.  
50706 4.1.92

E. Oukrop  
48372 11.1.91

Marathon Oil  
41095-A  
11.1.88

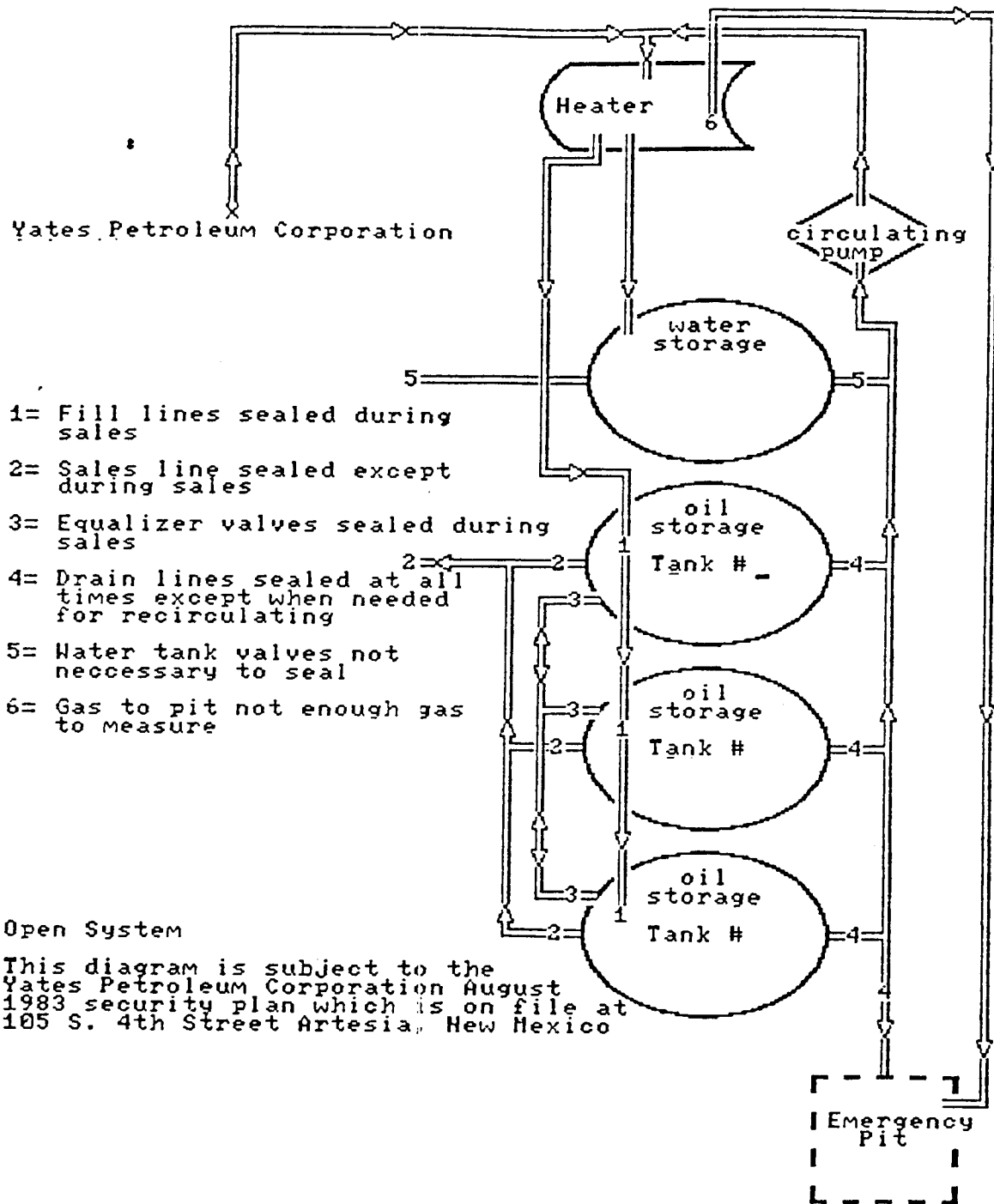
Wintershall 34%  
Dorchester 34%  
Quantum et al 33%

YATES PETROLEUM CORPORATION  
HAMMERHEAD UNIT # 2-1  
1485' FSL AND 920' FWL  
SEC. 7-T38S-R 26E  
SAN JUAN COUNTY, UTAH

Exhibit E

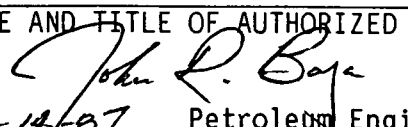
# YATES PETROLEUM CORPORATION

## Exhibit F



STATE ACTIONS

Mail to:  
Grants Coordinator  
State Clearinghouse  
116 State Capitol, SLC, UT. 84114  
533-4971

1. ADMINISTERING STATE AGENCY OIL, GAS AND MINING 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180-1203	2. STATE APPLICATION IDENTIFIER NUMBER: (assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START: Upon approval	
4. AREAWIDE CLEARING HOUSE(s) RECEIVING STATE ACTIONS: (to be sent out by agency in block 1)  Southeastern Utah Association of Local Governments	
5. TYPE OF ACTION: <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Permit <input type="checkbox"/> License <input type="checkbox"/> Land Aquisition <input type="checkbox"/> Land Sale <input type="checkbox"/> Land Exchange <input type="checkbox"/> Other _____	
6. TITLE OF PROPOSED ACTION: Application for Permit to Drill	
7. DESCRIPTION: Yates Petroleum Corp. proposes to drill a wildcat well on federal lease number U-7088 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.	
8. LAND AFFECTED (site location map required) (indicate county) NW/4, SW/4, Section 7, Township 38 South, Range 26 East, San Juan County, Utah	
9. HAS THE LOCAL GOVERNMENT(s) BEEN CONTACTED? Unknown	
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR: No significant impacts are likely to occur	
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE: Chip Hutchinson, Moab, 259-8151	
12. FOR FURTHER INFORMATION, CONTACT:  John Baza PHONE: 538-5340	13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  DATE: 10-14-07 Petroleum Engineer



CONFIDENTIAL

123005

OPERATOR

*Yates Petroleum*

DATE

*10-14-87*

WELL NAME

*Hammerhead Unit #2*

SEC

*NW SW 7*

T

*38S*

R

*26E*

COUNTY

*San Juan*

*43-037-31377*

API NUMBER

*Ind.*

TYPE OF LEASE

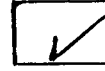
CHECK OFF:



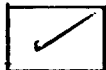
PLAT



BOND



NEAREST  
WELL



LEASE



FIELD



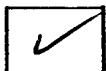
POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

*No other well in Sec 7 - (Unit well) Unit approved 12/18/87*  
*& fresh water permit - 09-1539 (T62927)*

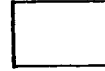
APPROVAL LETTER:

SPACING:

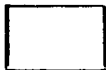


R615-2-3

*Hammerhead*  
UNIT



R615-3-2



CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

*Water*

\* This well has not been  
approved by Bfm as of yet.  
Brian Wood - Consultant for  
Yates Petroleum is aware  
of this. They are in the  
process of obtaining approval  
from them.

*2-15-89 Lohomero*

0218T



116 State Capitol Building  
Salt Lake City, UT 84114  
Telephone 801-533-5245

## office of planning and budget

Norman H. Bangerter, Governor Dale C. Hatch, C.P.A., J.D., Director Michael E. Christensen, Ph.D., Deputy Director

October 30, 1987

John Baza  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203

SUBJECT: Yates Petroleum Corporation Application for Wildcat Well Permit on  
State Lease #U-7088, San Juan County  
State Application Identifier #UT871013-040

*Hammerhead Unit #2-1*

Dear John:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action and no comments have been indicated.

The Committee appreciates the opportunity of reviewing this document. Please address any other questions regarding this correspondence to Carolyn Wright (801) 533-4971.

Sincerely,

Dale C. Hatch  
Director

DCH/jw

## COAL LAKE

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

# WATER RIGHTS PRICE

- stream or source at a point described as follows:

NOV 02 1987

## GAS & MINING

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

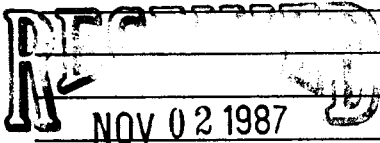
12. Water source is located on private property owned by Alfred and Pearl Phelps.

P. O. Box 456

Dove Creek, CO 81324

Telephone:

303-677-2519



DIVISION OF  
OIL, GAS & MINING

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*Clifton R. May*  
Signature of Applicant\*

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, }  
County of..... } ss

On the ..... day of ....., 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

(SEAL)

Notary Public

CLIFTON R. MAY

STATE ENGINEER'S ENDORSEMENT

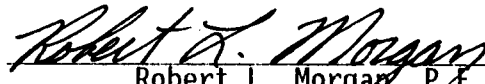
WATER RIGHT NUMBER: 09 - 1539

APPLICATION NO. T62927

1. October 19, 1987      Application received by MP.
  2. October 20, 1987      Application designated for APPROVAL by MP and KLJ.
  3. Comments:
- 
- 

Conditions:

This application is hereby APPROVED, dated October 30, 1987, subject to prior rights and this application will expire on October 30, 1988.

  
Robert L. Morgan, P.E.  
State Engineer

**RECEIVED**  
NOV 02 1987

DIVISION OF  
OIL, GAS & MINING



NORMAN H. BANGERTER  
GOVERNOR



STATE OF UTAH  
DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT

6 November 1987

Division of  
State History  
(UTAH STATE HISTORICAL SOCIETY)

MAX J. EVANS, DIRECTOR  
300 RIO GRANDE  
SALT LAKE CITY, UTAH 84101-1182  
TELEPHONE 801/533-5755

John Baza  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

RE: Yates Petroleum Corp. Wildcat Well, Federal Lease No. U-7088  
(SAI UT871013-040)

In Reply Please Refer to Case No. K534

Dear Mr. Baza:

The staff of the Utah State Historic Preservation Office has reviewed the information provided for the above referenced proposed state action. Our records indicate that we know of no surveys for historic or prehistoric resources in this area, and we know of no sites listed on or potentially eligible for the National Register at the site of this proposed action. However, there is a very high potential for archeological sites in this area, and their presence and potential National Register eligibility should be evaluated prior to any land disturbing activities. The Bureau of Land Management may require such cultural resource surveys and mitigation of any potentially eligible sites prior to approving this action.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. If you have questions or need additional assistance, please contact Charles Shepherd at (801) 533-7039.

Sincerely,

A. Kent Powell  
Deputy State Historic  
Preservation Officer

CMS:jrc:K534/4819V OR

cc: Chairperson, Resource Development Coordinating Committee, State Planning  
Office, 118 State Capitol, Salt Lake City, Utah 84114

cc: Bruce Louthan, Moab District Office, Bureau of Land Management, 125 West  
Second South Main, P. O. Box 970, Moab, Utah 84532



# SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JACOBS

WILLIAM D. HOWELL  
Executive Director

P.O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

DEC 4 1987

DIVISION OF  
OIL, GAS & MINING

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI \_\_\_ Preapp \_\_\_ App \_\_\_ State Plan \_\_\_ State Action X Subdivision \_\_\_ (ASP # 11-1015-7)

Other (indicate) \_\_\_\_\_ SAI Number UT871013-040

Applicant (Address, Phone Number):

Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Federal Funds:

Requested: \_\_\_\_\_

*Yates, Hammerhead Unit 2-1*

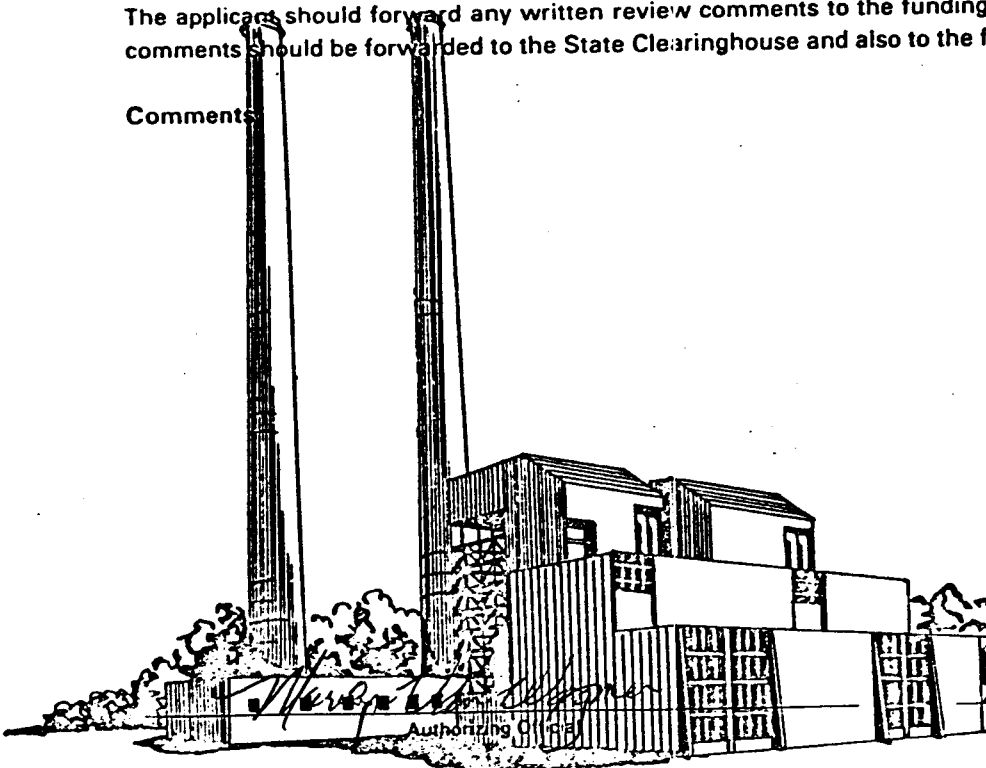
Title:

APPLICATION FOR PERMIT TO DRILL

- ☒ No comment  
☐ See comments below  
☐ No action taken because of insufficient information  
☐ Please send your formal application to us for review. Your attendance is requested ☐

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments



12-1-87

Date

REGIONAL CLEARINGHOUSE



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 23, 1987

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

Re: Hammerhead Unit #2 - NW SW Sec. 7, T. 38S, R. 26E  
1485' FSL, 920' FWL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form to the Division within five working days of the time that the well is spudded or a change in operations or interests necessitates a change in entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2  
Yates Petroleum Corporation  
Hammerhead Unit #2  
December 23, 1987

6. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31377.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
8159T

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL  
(Other instructions  
verse side)

Form approved  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

**U-7088**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**N/A**

7. UNIT AGREEMENT NAME

**Hammerhead**

8. FARM OR LEASE NAME

**Hammerhead Unit**

9. WELL NO.

**#2**

10. FIELD AND POOL, OR WILDCAT

**Wildcat**

11. SEC., T., R., M., OR BLK. AND  
SURVEY OR AREA

**7-38s-26e SLBM**

12. COUNTY OR PARISH

**San Juan**

13. STATE

**Utah**

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1.

OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

**Yates Petroleum Corporation**

3. ADDRESS OF OPERATOR

**105 South 4th Street, Artesia, NM 88210**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)

At surface

**Surface: 1485' FSL @ 920' FWL (NWSW)**

**DIVISION OF  
OIL, GAS & MINING  
Bottom: Same**

14. PERMIT NO.

**43-037-31377**

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

**5,642' ungraded ground**

16.

**Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

(Other) ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

ABANDON\* ☐

CHANGE PLANS ☐

**Renew APD approval** ☒

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐

FRACTURE TREATMENT ☐

SHOOTING OR ACIDIZING ☐

(Other) ☐

REPAIRING WELL ☐

ALTERING CASING ☐

ABANDONMENT\* ☐

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**Location not yet built. Request that APD previously approved on 12-23-87,  
be reapproved for another 12 months.**

18. I hereby certify that the foregoing is true and correct

SIGNED

*Brian J. Day*

TITLE

**Consultant**

DATE

**1-26-89**

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

*Approval extended to 12-23-89.*

TITLE

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**

DATE

**2-15-89**

BY

*John R. Day*

\*See Instructions on Revers

RECEIVED  
FEB 1 1989  
TEMPORARY

FILING FOR WATER IN THE  
STATE OF UTAH

RECEIVED

Rec. by VP  
Fee Rec. 30.00  
Receipt # 25683  
Microfilmed \_\_\_\_\_  
Roll # \_\_\_\_\_

DIVISION OF  
OIL, GAS & MINING

FEB 2 1989

APPLICATION TO APPROPRIATE WATER

WATER RIGHTS

SALT LAKE

CONFIDENTIAL

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

\* WATER RIGHT NO. 09 — 1624

\* APPLICATION NO. A T63758

1. \*PRIORITY OF RIGHT: January 31, 1989 \* FILING DATE: January 31, 1989

2. OWNER INFORMATION

Name(s): Yates Petroleum Corporation c/o Permits West, Inc. \* Interest: \_\_\_\_\_ %  
Address: 37 Verano Loop (505) 984-8120  
City: Santa Fe State: NM Zip Code: 87505  
Is the land owned by the applicant? Yes \_\_\_\_\_ No XXX  
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: \_\_\_\_\_ cfs and/or Two ac-ft

4. SOURCE: Unnamed Stream \* DRAINAGE: \_\_\_\_\_  
which is tributary to Lake Canyon  
which is tributary to Monument Canyon

POINT(S) OF DIVERSION: \_\_\_\_\_ COUNTY: San Juan  
North 2350 feet and West 1,650 feet from the SE corner of Sec. 28, T. 36 S., R. 26 E., S. 8M

Description of Diverting Works: Water will be pumped directly into 65 bbl tank trucks.

\* COMMON DESCRIPTION: 23 miles East of Blanding Monument Canyon Quad

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point: \_\_\_\_\_

Description of Rediverting Works: \_\_\_\_\_

6. POINT(S) OF RETURN

The amount of water consumed will be \_\_\_\_\_ cfs or 2.0 ac-ft

The amount of water returned will be \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft

The water will be returned to the natural stream/source at a point(s): \_\_\_\_\_

7. STORAGE

Reservoir Name: N/A Storage Period: from \_\_\_\_\_ to \_\_\_\_\_

Capacity: \_\_\_\_\_ ac-ft. Inundated Area: \_\_\_\_\_ acres

Height of dam: \_\_\_\_\_ feet

Legal description of inundated area by 40 acre tract(s): \_\_\_\_\_

\* These items are to be completed by the Division of Water Rights

TEMPORARY

Appropriate

8. List any other water rights which will supplement this application \_\_\_\_\_  
Application supplements other entities' water rights for stockwatering, irrigation, etc.

9. NATURE AND PERIOD OF USE

Irrigation:	From _____ to _____
Stockwatering:	From _____ to _____
Domestic:	From _____ to _____
Municipal:	From _____ to _____
Mining:	From _____ to _____
Power:	From _____ to _____
Other: Drilling	From <u>Feb. 15, 1989</u> to <u>Feb. 14, 1990</u>

10. PURPOSE AND EXTENT OF USE

Irrigation: \_\_\_\_\_ acres. Sole supply of \_\_\_\_\_ acres.  
Stockwatering (number and kind): \_\_\_\_\_  
Domestic: \_\_\_\_\_ Families and/or \_\_\_\_\_ Persons  
Municipal (name): \_\_\_\_\_  
Mining: \_\_\_\_\_ Mining District in the \_\_\_\_\_ Mine  
Ores mined: \_\_\_\_\_  
Power: Plant name: \_\_\_\_\_ Type: \_\_\_\_\_ Capacity: \_\_\_\_\_  
Other (describe): Water will be used for oil well drilling mud, dust control, compaction, etc.

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s):  
North 1485' and East 920' from the SW corner of Sec. 7, T. 38 S., R. 26 E., SLBM at the Hammerhead  
Unit #2 oil well (NWSW 7-38s-26e) on BLM land.

43-037-31377 - D-1.

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): From #2: Land is private and owned by Alfred & Pearl Phelps. Yates  
or its water hauler will contract with Mr. Phelps for permission to use the water hole.

\*\*\*\*\*  
The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



Signature of Applicant(s)

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

WATER RIGHT NUMBER: 09 - 1624

APPLICATION NO. T63758

1. January 31, 1989      Application received by MP.
  2. January 31, 1989      Application designated for APPROVAL by MP and KLJ.
  3. Comments:
- 
- 

Conditions:

This application is hereby APPROVED, dated February 10, 1989, subject to prior rights and this application will expire on February 10, 1990.

  
Robert L. Morgan, P.E.  
State Engineer

3162 (U-065)  
(U-7088)

Moab District  
P. O. Box 970  
Moab, Utah 84532

JAN 24 1992

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Re: Application for Permit to Drill  
Well No. Hammerhead Unit 2 43-037-31377  
NWSW Sec. 7, T. 38 S., R. 26 E.  
San Juan County, Utah  
Lease U-7088

Gentlemen:

The above referenced application was received October 1, 1987. In a telephone conversation between Cy Cowan and a member of my staff it was requested that the application be returned, therefore, we are returning your application unapproved.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely yours,

/s/ A. Lynn Jackson

Assistant District Manager  
Minerals Resources

Enclosure:  
Application for Permit to Drill

Acting

cc: State of Utah, Division of Oil, Gas and Mining (w/o encl.)✓

VButts:vb:1/23/92

RECEIVED

JAN 27 1992

DIVISION OF  
OIL GAS & MINING





Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

February 12, 1992

Yates Petroleum Corporation  
105 South 4TH Street  
Artesia, New Mexico 88210

Gentlemen:

Re: Well No. Hammerhead Unit #2, Sec. 7, T. 38S, R. 26E, San Juan County, Utah,  
API No. 43-037-31377

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley  
Administrative Supervisor  
Oil and Gas

DME  
cc: R.J. Firth  
Bureau of Land Management - Moab  
Well file  
WOI196